

**NORTHAMPTON COUNTY OTHER POST EMPLOYMENT BENEFITS FUND (OPEB)**  
**BOARD MINUTES**

**April 26, 2023**

**4:00 p.m.**

1. **Call to Order:** Mr. Lamont McClure called the meeting to order at 4:50 p.m.
2. **Call of the Roll:** The following appointees to the Retirement Board were present: Mr. Lamont McClure, County Executive; Mr. Ronald Heckman, Council Vice President; Ms. Lori Vargo Heffner, Council Member; Mr. Thomas Guth, active employee Member of Northampton County Retirement system; Mr. Gerald Seyfried, Retiree Member; Mr. Stephen Barron, Director of Fiscal Affairs

The following appointees to the Retirement Board were absent: Mr. Kerry Myers, Council President

Others Present – Mr. John Spagnola, PFM; Mr. Bryce Meyers, Fiscal Affairs; Ms. Mary Lou Kaboly, Board Secretary; Ms. Danielle Mutarelli, Human Resources; Ms. Stephanie Hann, Human Resources

3. **Courtesy of the Floor:** None
4. **Approval of the February 9, 2023 OPEB Fund minutes:** Ms. Vargo Heffner made a Motion to approve the minutes of the February 9, 2023 board meeting. Mr. Barron seconded the Motion. The vote to approve was unanimous.
5. **Performance Updates – PFM, John Spagnola:** Mr. Spagnola gave the presentation of the fund's performance in the 1<sup>st</sup> quarter of 2023.

OPEB Fund market value as of March 31, 2023: \$47,062,377

As of March 31, 2023:

Q1 gain:	4.29 percent
Gain since inception:	6.00 percent (inception date is 9/1/2017)
YTD gain:	4.29 percent
1-year gain:	-6.93 percent
3-year gain:	9.29 percent
5-year gain:	5.46 percent

Mr. Spagnola stated that the OPEB fund's performance mirrored that of the Pension fund in that the domestic equity sector underperformed, the international equity sector met the benchmark, and the fixed income sector performed ahead of the benchmark. PFM added Golub Capital Partners to the fund after the quarter closed and a 1.48 million dollar capital call occurred towards a committed amount of 1.85 million dollars. The fund had a two million dollar return including net flows for the quarter.

Mr. Barron asked whether PFM recommends managing the assets in the OPEB fund differently from the Pension fund with the decreasing number of employees eligible for the benefit over the next 15 to 20 years. Mr. Spagnola replied that it would be beneficial for PFM to review an actuarial report of the OPEB fund to consider its liabilities, and they may shorten the risk for the duration of the fund if its liabilities are further out. PFM manages the Pension fund with a growth outlook due to anticipated liabilities for the next 50 years.

Mr. McClure speculated whether the County could wrap the OPEB fund into the Pension fund once the OPEB fund's liabilities are exhausted. Mr. Barron responded that this would require the Solicitor's review, as guidelines for any remaining funds do not exist. Mr. Meyers informed the board that there were 784 active employees entitled to the OPEB benefit at the time of the 2020 census for the fund.

6. **Adjournment:** Ms. Vargo Heffner made a Motion to adjourn the meeting. The OPEB Fund meeting adjourned at 5:00 p.m.